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C O N F I D E N T I A L SECTION 01 OF 02 NEW DELHI 005867

SIPDIS

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TAGS: [PREL](#) [PHUM](#) [KDEM](#) [ENRG](#) [EPET](#) [IZ](#) [IN](#)

SUBJECT: INDIAN INITIATIVES IN IRAQ STILL ON HOLD

REF: A. NEW DELHI 4798

[B](#). NEW DELHI 4619

[C](#). NEW DELHI 3878

Classified By: PolCouns Geoffrey Pyatt for Reasons 1.4 (B, D)

[1](#)1. (C) Summary: Following the Dead Sea conference on Iraq, MEA Joint Secretary (Gulf) Sanjay Singh told PolCouns and PolMilOff on July 28 that he was impressed with how Iraqis were taking control of their political process, and expressed confidence that this would result in greater support for reconstruction. At the same time, however, Iraqis were exerting so much effort to clear the Constitutional hurdles before them that they had few resources left to devote to other political and economic initiatives, such as reconstituting the Indo-Iraq Joint Commission. Despite concern about increased violence in the run-up to national elections in December, the GOI is still interested in getting details about small-scale, high-priority electricity projects.  
End Summary.

Constitution a Priority Over the Joint Commission  
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[1](#)2. (C) In contrast to what he previously called an "access unfriendly" conference in Brussels, Singh was pleased with the level of access the Indian delegation had to both senior Iraqi and American officials at the Dead Sea conference on Iraq, July 18-19. The Joint Secretary was impressed with how Iraqis were taking control of their political process, and he expressed confidence that this would result in greater support for reconstruction. At the same time, however, he thought that less pressing initiatives such as the Indo-Iraq Joint Commission would not happen while Iraqis were fully engaged in trying to meet the deadlines for drafting and voting on the constitution and national government.

[1](#)3. (C) Timing aside, Singh outlined the practical steps toward resurrecting the Joint Commission. As a result of Charge's meeting with Oil Ministry Additional Secretary Talmiz Ahmad on May 25 (Ref C), Singh said that Ahmad had proposed that the GOI field a small team to begin to develop ideas for bilateral projects in Iraq. A bilateral technical group would also meet to discuss pending issues and an agenda before the first meeting of the Joint Commission. According to the Joint Secretary, the GOI would like bidding and procurement to be on the agenda because of Indian complaints about lack of understanding and transparency in the bidding process.

Concern with Decreased Iraqi Oil Production  
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[1](#)4. (C) Singh went on to express concern about decreasing Iraqi oil production, down from "break-even production" of 2.2 million barrels/day to the current level of 1.4 million barrels, due to refineries' low production capacity and sabotage. Asked whether the July 27 fire that destroyed an offshore platform which generates a significant percentage of India's oil production would hasten a GOI decision to re-engage quickly in Iraq, Singh was non-committal.

Sparks of Interest in Electricity Sector  
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[1](#)5. (C) PolCouns asked about Indian interest in projects in the electricity sector, as discussed during Ambassador Jones' visit (Ref B) and referenced in FM Singh's speech at the Brussels conference (Ref A). Singh and the Indian Charge in Baghdad had met with the governor of Basra, the Electricity Minister, and industry officials in Jordan, and identified contractors who would be willing to undertake projects in Iraq, but the GOI did not yet have projects to offer. Singh also mentioned that there are Indian engineers in Jordan who regularly travel to Iraq, despite the travel ban. PolMilOff mentioned that USAID sector experts in Iraq would compile a list of small-scale, high priority projects in the electricity sector for GOI consideration, including a former Indian project in Khor Zubayr, south of Basra. Singh will encourage Indian electricity experts to be part of the technical working group to further explore these

possibilities.

#### Democratic Infrastructure

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16. (C) Although India was still willing to assist Iraq with any questions it had on drafting its constitution, or developing a "democratic infrastructure," he acknowledged that there was little time, given the tight deadline for drafting and voting on the constitution and national government. "The process seems to be on track," but noted that other countries, including Denmark and the EU shared India's concern about the significant role of Shari'a law in Iraq's constitution. Singh said he was also concerned about the potential for increased insecurity in the country in the run-up to the national elections for a permanent government in December. The GOI invitation to senior Iraqi leaders to visit India is "still on the table," but given the constitution and subsequent election process, he did not expect that high-level Iraqi officials would visit India soon.

#### Ambassadors

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17. (C) Finally, in response to PolCouns' question about the status of installing their respective ambassadors, Singh stated that India had designated its ambassador and awaited agreement, but declined to give the name. He stated that the GOI had not yet heard from the Iraqis about their candidate for New Delhi.

18. (U) Minimize considered.  
BLAKE